

Now our Republican colleagues want to go back to the same failed policies. They want to give more tax cuts to millionaires and billionaires, continue subsidies to Big Oil while they end Medicare as we know it and gut Pell grants and all that they mean to our economic future. They insist on tax cuts that will cost \$700 billion on the revenue side over the next 10 years and trillions more by slashing tax rates for the wealthy and the powerful.

Those making more than \$1 million a year will see a windfall of \$125,000 each from the tax cuts and tens of thousands of dollars more for proposed tax rate cuts while people in my home State lose \$34 billion in health benefits and 400,000 New Jerseyans end up without health coverage at all. They want to shift the balance to millionaires and billionaires while making Draconian cuts to health care benefits for seniors.

Cuts do not reflect our value as a people or as a nation. Even a majority of tea partiers think it is a bad idea according to recent polls. I am reminded that our distinguished Republican colleagues are symbolized in their party by an elephant, a large animal that never forgets. Our Republican colleagues have forgotten what Vice President Cheney told America on national television as he was waging two wars, both unpaid for. He said, "Deficits don't matter." Vice President Cheney: "Deficits don't matter."

Well, Republicans have apparently forgotten President Bush's own words on April 16, 2001, about the benefits of favoring the wealthiest Americans:

Tax relief will create new jobs. Tax relief will generate new wealth, and tax relief will open new opportunities.

He was right about one thing; it created new wealth and new opportunities—all of them at the top. But show me the jobs. Show me the new opportunities for middle-class families. Show me what it did to keep our economy on track and protect hard-working families from losing their homes in mortgage schemes and hedge fund gambles that stole the wealth of middle-class families taking us to the brink of economic ruin.

Let's look at the simple facts about the Bush tax cuts 10 years later. The top one-tenth of 1 percent of American wage earners, those earning more than \$3 million a year, received an average tax cut of \$520,000 each—far more than most American families dream of making—a tax cut more than 450 times larger than the meager tax cut of an average middle-class wage earner. Those earning over \$3 million benefited from lower tax rates on capital gains; lower tax rates on dividends, and lower marginal rates for the top two tax brackets.

From 2002 to 2007, the top 1 percent of American wage earners enjoyed 65 percent of the total income gains during that 5-year period. In those 5 years nothing trickled down. In fact, real hourly earnings fell by almost 2 percent for men in the bottom 10 percent

of wage earners. It fell one-half of 1 percent for men in the middle of the 50th percentile but increased almost 3 percent for men in the top 10 percent. Nothing trickled down.

If the Bush tax cuts were designed as a stimulus, they failed again. Moody's has said making the cuts permanent would generate only 35 cents in economic activity per dollar they cost.

Under the American Recovery Act, the payback would be \$1.17 for every dollar of the Making Work Pay credit and \$1.38 for the child tax credit. Clearly, the stimulus effect of the Bush cuts was not a stimulus at all. As far as the debt is concerned, from 2001 to 2010 the cuts added \$2.6 trillion to the debt, 50 percent of the total accrued during that 10-year period. The fact is the Bush cuts averaged out to lower revenue levels as a share of the economy than any previous decade since the 1950s, even as we have America's sons and daughters in two wars waging abroad, unpaid for. The extension of the cuts in the December tax bill is projected to decrease revenues by \$432 billion, from 2012 to 2021, making the total costs more than \$5 trillion over the next decade. Yet Republicans will not put any of that \$5 trillion on the table, not even the tax cuts for millionaires, but they will happily end Medicare as we know it and kick poor seniors out of their nursing homes. This is something we cannot let happen.

So, Mr. President, as I have said before on the floor of the Senate, in their ideological haze they seem to have lost sight of the real people whose lives would be affected by the choices we make. The Republican vision of America is about the bottom line. It seems to me they failed to realize that budgets are not just about numbers, budgets are about people, their hopes, their dreams, their expectations for a better life for themselves and their children. They are about the promise of this country and the dream we have come to expect, the vision we have of safe, clean, vibrant communities in which to raise our families.

Budgets are a reflection of our values, not a faceless calculation of pluses and minuses just to reach an arbitrary number regardless of the impact on middle-class families looking to get back to work and pay the bills. All of us have a budget. Maybe it is not a formal budget, but we all have one. On the revenue side we have what we earn from gainful employment, investments, interest on savings. On the flip side we have our expenses, mortgage payments, groceries, utilities, and we have our contributions perhaps to our church or synagogue or donations to a favorite charity or a worthy cause. These are expressions of our personal values, just as the Nation's budget is an expression of its collective values.

We may not always think of the budget in those terms, but we should. It is about our values. The Bush tax cuts enacted a decade ago are antithetical to the values that we as a people

and nation have. Middle-class families and seniors should not be left to pay the tab for a decade of lavish tax cuts that did nothing but make millionaires richer. Those tax breaks helped us to get into this mess, and they certainly should be on the table to help us get out of it. If we do that, then we have the wherewithal to do what we did once again under President Clinton: Balance the budget for the first time in a generation, create record surpluses, low unemployment, low interest rates, low inflation, and the greatest peacetime economy in over a generation. Those are the choices before the Senate and the country, and I hope we can get our colleagues to understand the right choice on behalf of the Nation's progress and prosperity.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

COBURN AMENDMENT

Mr. FRANKEN. Mr. President, I rise today to express my strong opposition to the amendment offered by my colleague from Oklahoma which we will be voting on tomorrow. Before I talk about the substance of the amendment, I wish to comment on the procedure through which it was offered. There was no warning to Senate leadership or to any of our colleagues. And while technically it wasn't in violation of Senate rules, it undermines the basic comity that makes this body work. It is a disservice to do business this way—to our colleagues, to bipartisanship, and to the American people who sent us in Washington to get work done by working together. So I am disappointed in the way this was handled.

Now let me talk about the amendment itself. Today, families in Minnesota and around the country are paying painfully high prices at the pump as oil still hovers around \$100 a barrel. What this amendment does is cut the legs out from under the most viable alternative to foreign oil we have. Despite decade after decade of rhetoric about weaning our country off foreign oil, we are still dependent on it. And while about a third of our oil imports comes from Canada and Mexico, close to half come from the Persian Gulf, Africa, or Venezuela.

Last year at this time we were dealing with the gulf oilspill, the worst environmental catastrophe we have ever had. That was maybe the most jarring reminder of what has been clear for decades—that we have to kick our addiction to oil. While that is not something we can do overnight, we need to do everything in our power to transition to alternatives.

There is no more viable alternative than biofuels. Today, the industry that has been most successful in displacing oil is under attack. We are talking about an industry using homegrown American resources, an industry that has created thousands of jobs and catalyzed economic development across

rural America. The first generation of biofuels has paved the way for the next generation of advanced biofuels. The first commercial-scale cellulosic ethanol plant is being built this year in Emmetsburg, IA, where it will be making ethanol from corncocks.

According to a recent study done by the researchers at Iowa State University and the University of Wisconsin-Madison, the growth in ethanol production reduced wholesale gas prices by an average of 89 cents per gallon in 2010. In the Midwest, that number was higher: \$1.37 per gallon. Let me repeat that. At a time when so many American families are struggling to pay their bills and make ends meet, they would have paid an average of 89 cents more per gallon of gas last year had we not had ethanol.

But instead of giving this industry the tools it needs to grow and reduce our oil dependence even more, this amendment hangs the ethanol industry out to dry. It makes no sense.

I share the concern of my colleague from Oklahoma about the deficit and our national debt. To cut our deficit, everyone in America will have to make some sacrifices, and that includes the ethanol industry. The easy part here is that the ethanol industry agrees. Ethanol producers stand ready to phase out the ethanol blenders credit. But we need to be consistent. If the ethanol industry is being asked to make some sacrifices, other fuel industries need to be willing to do the same. Yet, just a month ago, many of my colleagues, including my colleague from Oklahoma, voted against repealing billions of dollars in subsidies we pay every year to the biggest five oil companies. We are talking about companies that have made almost \$1 trillion in profit over the last decade. My colleagues chose to leave those tax breaks in place, amounting to 21 billion in taxpayer dollars to oil companies over the next 10 years. Expert after expert has basically concluded these subsidies are not lowering the cost of gas and would not cause it to increase if they were eliminated. But we do not need experts to tell us that. Subsidies for oil and gas are on the books right now, and some have been on the books since as far back as 1916, but they have done nothing to stem the skyrocketing gas prices that are squeezing the budgets of American families. Yet when we are talking about ethanol—a homegrown alternative to foreign oil that lowers prices at the pump—my colleagues seem to think it is absolutely imperative to repeal this tax credit now.

When it is repealing subsidies for oil and gas companies operating in oil-producing States such as Oklahoma, that somehow is a tax hike. But cutting a tax credit that supports an American renewable fuel, that is “fiscal responsibility.” The hypocrisy here is stunning.

Regardless, America’s ethanol producers are ready and willing to phase out this credit. But there is a right way

and a wrong way to do it. The Coburn amendment, which abruptly ends the credit at the end of this month, is the wrong way. The right way is to responsibly phase out the tax credit in a manner that allows the industry to build out the infrastructure it needs to bring advanced biofuels into the U.S. market.

Today my colleagues and I are introducing legislation that does it the right way, and I urge every Member of this body to support it. Right now, our biofuels industry is hitting a wall because of the national 10-percent ethanol blend limit we have had on the books. It also is hamstrung by the inability of most cars and gas pumps to use blends higher than 10 percent ethanol. That means cellulosic ethanol and other advanced biofuels have no market access or market to grow into. This isn’t an industry problem, it is a public policy problem.

The EPA’s E15 waiver was a step in the right direction to address this very problem. But without pumps that can deliver higher ethanol blends, American consumers have no way to access additional ethanol that would and should be on the market. What our legislation does is reform our ethanol tax policy by ending the ethanol tax credit in its current form at the end of the month. It then invests part of the savings into biofuels infrastructure, part toward extending the cellulosic ethanol credit, and puts \$1 billion toward reducing our deficit.

Reducing America’s dependence on oil is going to require a national strategy, and biofuels are just one part of that strategy. We also need to do things such as deploy more electric vehicles and make our entire economy more energy efficient. We have to recognize that if we don’t fix our national policies to allow the biofuels industry to grow, we are actively choosing foreign oil and dirty fossil fuels over domestic, homegrown, renewable fuels.

Let me tell my colleagues something: We are never going to see a massive ethanol spill in the Gulf of Mexico that kills 11 workers, destroys thousands and thousands of livelihoods, and does irreparable harm to vital ecosystems. We are never going to see foreign countries collude to restrict the supply of ethanol and drive up gas prices for American families. As we transition to advanced biofuels and expand this industry, we are not going to see these jobs go overseas. This is an American industry, it is American jobs, and it is American energy independence. I urge my colleagues to make the responsible choice—one that will keep this industry moving forward.

Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Ms. KLOBUCHAR. I thank the Chair.

(The remarks of Ms. KLOBUCHAR and Mr. THUNE pertaining to the introduction of S. 1185 are printed in today’s RECORD under “Statements on Introduced Bills and Joint Resolutions.”)

The PRESIDING OFFICER (Mr. BENNET). The Senator from Oklahoma.

ETHANOL

Mr. COBURN. Mr. President, I had a good time this afternoon listening to the debate on the amendment I have offered and visiting with Senators. I think there is an important distinction that needs to be made in the arguments that have been brought forward.

The first is we have a mandated level of ethanol that has to be produced and blended into gasoline, and it grows from now on. There will be zero job losses if this amendment is approved.

The second thing is, my colleague—and I love him to death—from South Dakota says we are going to save \$1 billion. We can save \$3 billion if we eliminate the VEETC blending subsidy.

Now, why should we do that? Here is a subsidy that goes to all the blenders of gasoline in the United States—all of them—and they all have called and written and said: We do not want the \$3 billion for the rest of the year. We do not want it.

We actually have a letter from the National Petrochemical and Refiners Association, which they are all members of, saying: We do not want this money. So the best way to get money against the deficit is to not give money to people who do not want it on something that is already mandated anyway.

I spent a great deal of time listening to my colleague from Iowa, Senator GRASSLEY, and his figures were very good. But they were only up through 2008.

According to the U.S. Department of Agriculture, 40 percent of last year’s corn crop was utilized, converted to ethanol. Why would the American Bakers Association, the American Frozen Food Institute, the American Meat Institute, California Dairies, the Grocery Manufacturers Association, the International Dairy Foods Association, the Milk Producers Council, the National Chicken Council, the National Council of Chain Restaurants, the National Meat Association, the National Restaurant Association, the National Turkey Federation, the National Wildlife Federation—which is just about one-third of the people who are endorsing this—why would they be for this?

Because it is not just less than 3 percent of the cost of food, it has been, this last year, the significant driver. Corn prices are at \$7.65 a bushel. They are 2½ times what they were 3½ years ago. And I am not against the farmers. I am for ethanol. I do not want to do away with ethanol blending. I do not want to do away with ethanol as a substitute. But we have a way to get the same amount of ethanol produced and put into our cars without spending \$3 billion between now and the end of the year—\$5.8 billion is what it has averaged over the last few years.

We spent \$34 billion of money we didn’t have subsidizing something that